State of Idaho DEPARTMENT OF INSURANCE

CECIL D ANDRUS
Governor

500 South 10th Street Boise, Idaho 83720 Phone (208)334-2250 ANTHONY J FAGIANO
Director

BULLETIN NO. 89-1

TO: ALL INSURANCE AGENTS SELLING CAFETERIA PLANS

FROM: ANTHONY J. FAGIANO

DIRECTOR

SUBJECT: CAFETERIA PLANS -- WORKMEN'S COMPENSATION

INSURANCE PREMIUM

DATE: FEBRUARY 22, 1989

The Department of Insurance has received inquiries regarding the calculation of Workmen's Compensation Insurance premium in Idaho when a cafeteria plan through an employer is involved. In these cases, premium is based on gross payroll (remuneration).

Premium calculation based on gross payroll is in accordance with the National Council on Compensation Insurance (NCCI) — the Idaho licensed workmen's compensation insurance rating organization. The NCCI rules are applicable to all carriers writing Workmen's Compensation Insurance in Idaho. The rule for calculating premium is to use gross payroll, except that overtime pay is reportable at straight time pay. Premium calculation based on salary reduction payroll is not permitted.

Anthony J.

Director